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## FISCAL IMPACT REPORT

SPONSOR: Maes DATE TYPED: 02/03/03 HB \_\_\_\_\_

SHORT TITLE: Encourage Business Development in Northern NM SB 271

ANALYST: Collard

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$500.0		\$50.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to HB 133, HB 134, and SB 270

### SOURCES OF INFORMATION

Responses Received From  
Economic Development Department

### SUMMARY

#### Synopsis of Bill

House Bill 133 appropriates \$500.0 from the general fund to the Economic Development Department for the purpose of contracting for support and expansion of business incubation services in northern New Mexico from FY04 through FY06.

#### Significant Issues

Support and expansion of business incubation services include:

- ? Program development,
- ? Operating costs,
- ? Outreach to diverse clientele,
- ? Development of evaluation tools, and
- ? Methods to ensure accountability.

### FISCAL IMPLICATIONS

The appropriation of \$500.0 contained in this bill is a recurring expense to the general fund. Any

unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

The Economic Development Department is concerned that there are not monies attached to the bill for administration, evaluation, and auditing costs. The administration of this work would require additional FTE at a cost of \$50.0.

### **ADMINISTRATIVE IMPLICATIONS**

The Economic Development Department indicates it does not currently have the staff to administer this program. An additional FTE would be needed for the administration and evaluation of the contracts.

### **RELATIONSHIP**

Senate Bill 271 relates to House Bill 134 and Senate Bill 270 because the bills all promote business incubators in the state. Senate Bill 271 relates to House Bill 133 because the bills offer the same amount of money for business incubators in the state. However, House Bill 133 allots the appropriation for FY04 only.

KBC/sb:yr